

Message Text

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ACTION STR-04

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15
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P R 121440Z JAN 77

FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 2167

INFO AMEMBASSY HELSINKI

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS UNN

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ACTION STR

H PASS CODEL

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: NORDIC POSITION ON CUSTOMS VALUATION

REF: (A) BRUSSELS 00168; (B) MTN GENEVA 8551

1. SUMMARY: DISCUSSIONS WITH NORDIC NTM SPOKESMAN ON
CUSTOMS VALUATION REVEALED THAT IN CONTRAST TO PREVIOUS
NORDIC POSITION OF ACCEPTING NEGOTIATIONS ONLY ON BASIS
OF MAINTAINING BRUSSELS DEFINITION OF VALUE (BDV), NOR-
DICS NOW HAVE "OPEN MIND" ON VALUATION NEGOTIATIONS
BASED ON EC'S CHUMAS PERSONAL EFFORT TO DRAFT A VALUA-
TION CODE. END SUMMARY.

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2. FINNISH DEL (HAGFORS) REQUESTED MEETING WITH US MTN
DEL TO CLARIFY NORDIC UNDERSTANDING OF THE US POSITION
ON CUSTOMS VALUATION, TO GET US REACTION TO CHUMAS'
"PERSONAL" DRAFT CODE, AND TO PRESENT "NEW" NORDIC
POSITION ON VALUATION. WE REITERATED US POSITION
THAT WE MUST RECEIVE ADEQUATE RECIPROCITY IF US IS TO

CHANGE ITS VALUATION SYSTEM, BUT THAT WE ARE WILLING TO ENTER INTO SERIOUS NEGOTIATIONS ON THIS BASIS. WITH REGARD TO CHUMAS DRAFT, WE STATED THAT US HAD NOT HAD SUFFICIENT TIME TO ANALYZE DRAFT, AND THAT "PERSONAL" NATURE OF THE DOCUMENT MADE US REACTION MORE DIFFICULT.

3. HAGFORS RESPONDED THAT NORDICS WERE NOT PREPARED TO DISCUSS DRAFT AT THIS TIME, BUT THAT IT IS UNDER ACTIVE STUDY BY THE NORDIC COUNTRIES. TWICE, HOWEVER, HE EMPHASIZED THAT, ON A "PRELIMINARY BASIS" THERE HAD BEEN A MAJOR MODIFICATION IN THE BASIC NORDIC POSITION ON VALUATION. ACCORDING TO HAGFORS, THE NORDICS POSITION ON VALUATION. ACCORDING TO HAGFORS, THE NORDICS ARE NOW WILLING TO NEGOTIATE A "NEW" CUSTOMS VALUATION CODE. ORIGINALLY, THE NORDIC POSITION WAS TO PRESERVE THE BDV WITHOUT MAJOR CHANGE.

4. HAGFORS CHARACTERIZED THE BASIC NORDIC ATTITUDE TOWARD VALUATION NEGOTIATIONS AS "SKEPTICAL" AND "RELUCTANT". HOWEVER, THEY ARE WILLING TO BEGIN NEGOTIATIONS ON VALUATION IF THE FOLLOWING FOUR CONDITIONS ARE MET: 1) THE NEGOTIATIONS SHOULD BE AIMED AT INCREASING NUMBER OF ADHERENTS TO THE INTERNATIONAL VALUATIONS SYSTEM; 2) THE NEGOTIATIONS SHOULD RESULT IN THE WIDEST POSSIBLE HARMONIZATION OF VALUATION RULES; 3) THE PRESENT BDV RULES, AS RENEGOTIATED INTO A NEW CODE, SHOULD BE IMPROVED TO BE MORE TECHNICALLY WORKABLE; AND 4) THE GATT AND THE CCC MUST AVOID CONFRONTATION. WITH REGARD TO THE LAST CONDITION, HAGFORS EXPRESSED HIS CONCERN ABOUT FRICTION BETWEEN THE CCC LIMITED OFFICIAL USE

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AND GATT (REF B) SECRETARIATS, NOTING THAT WITHOUT A FLEXIBLE AND COOPERATIVE CCC THE NORDICS WILL HAVE DIFFICULT PROBLEMS IN VALUATION NEGOTIATIONS.

5. HAGFORS ALSO INDICATED THE NORDICS ARE INTERESTED IN ENTERING INTO BILATERAL NEGOTIATIONS ON CUSTOMS MATTERS WITH THE US, BUT FIRST WANTED TO STUDY REACTION TO THE POSSIBLE EC INITIATIVE. WITH REGARD TO RECIPROCITY, HAGFORS APPEARED RECEPTIVE TO THE US POSITION, BUT STATED THAT THE NORDICS ARE NOT PREPARED TO DISCUSS THIS QUESTION UNTIL THEY SEE WHAT COMES OUT OF THE CUSTOMS NEGOTIATIONS.

6. COMMENT: IT APPEARS THAT THE SHIFT IN NORDIC POSITION REGARDING NEGOTIATION OF A VALUATION CODE RESULTS FROM THEIR PRELIMINARY EXAMINATION OF THE CHUMAS DRAFT AND THE CONCLUSION THAT IT FOLLOWS THE BASIC FRAMEWORK OF THE BDV RATHER THAN A COMPLETELY NEW SYSTEM RADICALLY DIFFERENT FROM THE BDV. THEIR FEARS THUS ALLAYED, THEY ARE WILLING TO GO AHEAD WITH NEGOTIATIONS ON VALUATION. WALKER

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